

Exhibit 4 - Base Fees and Other Reimbursables

Public Entity

A. Debt Restructurings (Fulls).

A.1. Fulls. For Projects assigned through December 31, 2001 for a completed Full, the PAE will be paid a Base Fee as follows:

- \$50,000 for the first Project
- \$45,000 for the second Project
- \$40,000 per Project for the third, fourth and fifth Projects
- \$35,000 for the sixth and all subsequent Projects

For Projects assigned after January 1, 2002 for a completed Full, the PAE will be paid a Base Fee as follows (1):

- \$52,075 for the first Project
- \$46,875 for the second Project
- \$41,675 per Project for the third, fourth and fifth Projects
- \$36,475 for the sixth and all subsequent Projects

Note that the Base Fee schedule does *not* restart upon renewal or amendment of this Agreement. The Base Fee for Fulls will be paid in the following increments:

- 30% upon the PAE's completion of Due Diligence.
- 40% upon the Director's execution of the Restructuring Commitment or acceptance of a recommendation for a Completion.
- 30% within 30 Days after Closing and the Director's receipt of the PAE's certification that post-closing document distribution has been completed and upon confirmation that MIS has been completed in accordance with the Guide.

The Base Fee will be adjusted annually on January 1 for the Term of this Agreement by the CPI-U increase for the prior fiscal year October through September. (2)

A.2. Centralized Closings. If the PAE opts to send a Project to OMHAR's Centralized Closings to be closed in accordance with the procedures established by OMHAR and the Project closes, within 30 Days after Closing and the Director's receipt of the PAE's certification that post-closing document distribution has been completed, the PAE will be paid (a) the lesser of (i) \$7,500, or (ii) 50% of the 30% of the Base Fee otherwise due upon Closing for the Closing phase, or (b) in the event that the Project does not close, 85% of the sum determined in (a).

A.3. Reactivated Fulls. If, subsequent to Completion, a Project is reactivated for restructuring, and if the PAE is assigned and processes the Project as a Full, the PAE will be compensated upon closing or other completion as follows:

- a. The PAE will be paid the Base Fee for a Full less any portion of the Base Fee already paid the PAE for the Project. Additionally the PAE will be paid \$2,500 to reactivate, close or complete the Project and will be reimbursed for third party reports required by OMHAR to be updated.

- b. If, at the Director's discretion, a reactivated Project model requires significant updating, the PAE will be paid a minimum of \$2,500 up to a maximum of the total Base Fee as stated in A.1 above. The Base Fee must be determined by the Director and evidenced by an executed form 2.16 prior to the PAE commencing work on the reactivated Project.

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A.4. Transfer of Physical Assets (TPAs). In the event the PAE processes the successful completion of a TPA in accordance with existing requirements and procedures (HUD Handbook 4350.1, Chapter 13, and subject to further guidance from OMHAR), OMHAR will compensate the PAE for the TPA completion as follows:

- a. For a modified TPA (e.g., replacement of a general partner) the additional Base Fee will be \$2,500;
- b. For a full TPA (transfer to a new entity) the additional Base Fee will be \$4,500.

The TPA Base Fee includes all necessary additional work by the PAE and any third party legal or other professional services fees contracted by the PAE to complete the TPA. Waivers may be granted for additional fees required to complete exceptionally complex TPAs, at the Director's discretion.

A.5. Bond-Financed Transactions. The PAE must ascertain as part of Due Diligence whether the Project is subject to state or local bond financing. If so, the following Base Fees will be paid as compensation for the additional work required for completion of Due Diligence. These Fees are inclusive of any third party legal or other professional services charges the PAE may incur in order to complete this work, i.e. no additional Base Fees or Reimbursable costs may be submitted to OMHAR for this work:

- a. For collection of all relevant bond documents and trust/loan balances, and assembly of Party Transaction List the additional Base Fee will be \$500;
- b. For submission to OMHAR of the Section 514(h)(1) Executive Summary the additional Base Fee will be \$1,000;

These Base Fees may be invoiced upon completion of Due Diligence in accordance with standard OMHAR billing practices.

Upon OMHAR's final determination of Project eligibility, upon OMHAR written direction to the PAE to proceed to Underwriting including a Redemption or Defeasance, and if the PAE elects to undertake the Underwriting including a Redemption or Defeasance, the Base Fees for these additional services will be as follows:

- c. For creating and implementing a strategy for Redemption of the bonds the additional Base Fee will be \$1,500 of which \$1,200 is earned for creation of the Redemption strategy, payable upon the Director's execution of the Restructuring Commitment or acceptance of a recommendation for a Completion, the remaining \$300 of which is earned upon successful Closing of the Full including implementation of the Redemption, OR;
- d. For creating and implementing a strategy for Defeasance of the bonds the additional Base Fee will be \$6,500 of which \$5,000 is earned for creation of the Defeasance strategy and submission of the cost/benefit analysis of the Defeasance in the context of the M2M

restructuring, payable upon the Director's execution of the Restructuring Commitment or acceptance of a recommendation for a Completion, the remaining \$1,500 of which is earned upon successful Closing of the Full including implementation of the Defeasance.

These Base Fees may be invoiced upon Closing, or upon Completion in accordance with standard OMHAR billing practices. These Fees are inclusive of any third party legal or other professional services charges the PAE may incur in order to complete this work, i.e. no additional Base Fees or Reimbursable costs may be submitted to OMHAR for this work. At the Director's discretion waivers may be granted for additional fees required to close or complete exceptionally complex bond transactions.

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B. Rent Restructurings (Lites).

B.1. Lites. For Projects assigned as Lites through December 31, 2001, the PAE will be paid a Base Fee of \$8,750 per Project if the transaction is processed by the PAE as a Tier 1 Lite or a Base Fee of \$12,000 per Project if the transaction is processed by the PAE as a Tier 2 Lite.

For Projects assigned as Lites after January 1, 2002, the PAE will be paid a Base Fee of \$9,125 per Project if the transaction is processed as a Tier 1 or a Base Fee of \$12,500 per Project if the transaction is processed as a Tier 2.

The Base Fee for a Lite will be paid upon the Director's acceptance of the PAE's submission as specified in Appendix V, Part B (dated January, 2001) of the Guide, and documentation that the PAE has delivered the unit rent recommendations, approved by OMHAR, to the Section 8 Contract Administrator for the project.

B.2. Lites to Fulls. If the PAE processes a Lite which is subsequently converted to a Full, the PAE will be paid the Base Fee indicated above. However, the Base Fee will be paid as follows:

The Base Fee for a Lite as specified above in B.1, payable upon the Director's approval of the conversion of the Lite to a Full.

30% of the Base Fee for a Full, less the Base Fee for a Lite as already paid above, payable upon completion of the Due Diligence and data collection.

40% of the Base Fee for a Full, payable upon the Director's approval of the Restructuring Plan or acceptance of a recommendation for a Completion.

30% of the remaining Base Fee for a Full, payable 30 Days after Closing and the Director's receipt of the PAE's certification that post-Closing document distribution has been completed, and upon confirmation that MIS has been completed in accordance with the Guide.

B.3. Fulls to Lites. If the owner requests a Full and the Project is assigned to the PAE as a Full, but after starting the Full process the PAE determines that either a Tier 1 or Tier 2 Lite transaction is required, the PAE will be paid a Base Fee of \$17,500 for processing the Lite.

The Base Fee for a Lite will be paid upon the Director's acceptance of the PAE's submission as specified in Appendix V, Part B (dated December 15, 1999) of the Guide, and documentation that the PAE has

delivered the unit rent recommendations, approved by OMHAR, to the Section 8 Contract Administrator for the project.

C. Rent Comparability Review.

Rent Comparability Review. The PAE will be paid a Base Fee of \$1,500 per Project for completing the Rent Comparability Review in accordance with the Guide for Projects assigned through December 31, 2001, and a Base Fee of \$1,575 per Project for Projects assigned after January 1, 2002. The Base Fee will be paid to the PAE upon the Director's review and acceptance of the Rent Comparability Review. If the Project is assigned to the PAE as a Rent Comparability Review and subsequently converts to a Full or Lite, and if the Director assigns the Project to the PAE to perform the Full or Lite, the PAE will be paid per A or B above, respectively, less any Base Fees already paid to the PAE for this Project.

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Notes:

(1) The Base Fee effective for Projects assigned after January 1, 2002 includes a cumulative CPI-U adjustment as calculated below.

(2) Annual CPI Adjustments:

The Base Fee for calendar year 2002 will be as set forth above, and will be adjusted annually thereafter by the Consumer Price Index – Urban (CPI-U) published by the Bureau of Labor Statistics (BLS). The adjustment to Base Fee will be effective each January 1 for the Term of Agreement utilizing the CPI-U value for the prior fiscal year, October through September. For example, the adjustment for January 1, 2003 will be based upon the change in CPI-U from October, 2001 through September, 2002. The minimum annual adjustment will be 0.00% (i.e., Base Fees will not decrease should the index decrease from the prior year), and the maximum annual adjustment will be 5.00%. The calculations of Base Fee adjustments shall always use the latest version of the CPI-U data published as of the date specified for such calculations. The adjustment calculation shall be made by dividing the index value for September of the calendar year preceding the adjustment by the index value for September of the calendar year two years preceding the adjustment, then multiplying the result by the current Base Fee.

For example, the adjustment for January 1, 2003 will be made by dividing the index value for September of the calendar year preceding the adjustment (assume for this example only that the CPI-U value for September, 2002 will be 182.0) by the index value for September of the calendar year two years preceding the adjustment (the September, 2001 index is 178.3), then multiplying the result ($182.0 \div 178.3 = 1.021$) by the current Base Fee, i.e. an increase of 2.1%, rounded to the nearest \$25.

In the event that the BLS discontinues or substantially modifies the method of calculation of the CPI-U, the Director shall promptly establish a reasonable successor or substitute index, or an adjustment of the modified index, which will equitably reflect the intent of the parties.